

249
RON JAWES

EXHIBIT "D"

BY-LAWS
OF
SUNSET FARM OFFICE CONDOMINIUM ASSOCIATION

1. Association of Owners; By-Laws.

These are the By-Laws of the Sunset Farm Office Condominium Association, an unincorporated association existing under and governed by Title 27, Chapter 15, V.S.A., known as the "Condominium Ownership Act", for the purpose of administering the office condominium as above designated located on Route 4 East in Woodstock, Vermont, which condominium is organized under the terms of a Declaration of Condominium Ownership to be filed in the Woodstock, Vermont Land Records.

These By-Laws supplement the Declaration of Condominium and the pertinent provisions of the Act. Terms which are used or defined in said Act and said Declaration are intended to have the same meaning when used herein. All present and future owners or tenants, invitees, employees, and agents, and any other person using any of the property in any manner are, and their use and enjoyment thereof, is, subject to compliance with these By-Laws, and the administrative rules and regulations adopted hereunder or as amended from time to time. The mere acquisition or rental or use of any unit shall be deemed to constitute acceptance of and an agreement with these By-Laws and the regulations adopted hereunder or as hereafter amended.

2. Office.

The office of the Association shall be the office unit owned by the President in the subject building located at Route 4 East in Woodstock, Vermont.

3. Membership.

All owners of office units in the condominium shall be members of the Association which membership shall terminate upon termination of office unit ownership.

4. Meetings of Members.

A. The Annual Meeting of members shall be held in

Woodstock, Vermont or at such other place as the Board shall from time to time determine on the second Saturday of January of each year at 10 a.m. If the day so designated falls upon a legal holiday, then the meeting shall be held on the following Saturday.

B. Special of the members may be called at any time by the President or by a majority of the Board of Directors and must be called by such officers upon request of a written request signed by members possessing a total of thirty percent interest in the condominium.

C. Notice of meeting shall be by written notice stating the purpose thereof served upon each member personally or by mail not less than ten nor more than fifty days previous to such meeting mailed to each member at his office address. However, at any meeting at which all members shall be present or those not present have waived notice in writing, the foregoing notice is waived.

D. At all meetings each office unit whether owned individually, by spouses, by tenants in common or by joint tenants shall be represented by a voting percentage equal to the percentage interest attached to that office unit as set forth in the Declaration of Condominium, which vote may be cast either in person or by written authorized proxy, or by a statement in writing, addressed to the clerk and received by the clerk prior to the meeting at which the vote is to be cast. The vote for any office unit owned of record by two or more persons may be exercised by any one of them present at any meeting in the absence of protest by the other, and in case of protest each co-owner shall be entitled to only a share of such vote in proportion to his share of ownership in such office unit.

E. Each proxy must be executed by the member. No proxy shall be valid after the expiration of eleven months from the date of its execution unless it shall have specified therein its duration. Every proxy shall be revocable at the direction of the member.

F. The presence in person or by proxy of members possessing a majority vote of the entire vote of the Association shall be necessary to constitute a quorum, but a lesser number may adjourn to some future time by giving at least three days written notice to each member who was absent from such meeting.

5. Board of Directors.

A. The affairs of the Association shall be managed by a Board of three Directors, all of which must be members in the Association. The Directors shall serve without compensation and each Director shall serve for one year and thereafter until a successor has been elected and qualified. Election of Directors shall be held at the Organizational Meeting of Members and thereafter at each annual meeting or any special meeting. The three

persons receiving the most votes cast shall be Directors and shall constitute the Board for the ensuing year. In the event one of the top three candidates has the same number of votes as another member or members so nominated, those members shall be voted on again by the entire membership until the tie is broken.

B. Meetings and Notice. The regular meetings of the Board shall be immediately following the annual meeting and at such other times as the Board of Directors may be called by the President or clerk upon the written request of two-thirds of the Directors. Notice of meetings other than the regular meetings shall be by written notice served on each Director personally or by mail by the President or clerk of the Association. However, at any meeting at which every member of the Board be present, although held without notice, any business may be transacted which might have been transacted if the meeting had been duly called.

C. Powers and Duties. All of the powers and duties of the Association existing under the Condominium Ownership Act and the Declaration of Condominium and these By-Laws shall be exercised exclusively by the Board or its designees subject to the provisions of the Declaration of Condominium and these By-Laws. The general powers of the Directors shall include any and all actions as may be consistent and necessary relative to the management of a condominium association of this nature.

D. Voting. At all meetings of the Board each Director shall have one vote. The act of a majority of the Directors at which a quorum is present shall be the act of the Board of Directors. However, in order to enable the Board to act efficiently and as frequently as may be necessary, they are hereby empowered to act by ballot without formal meeting. A vote by ballot shall be taken by delivering to each Director a ballot containing the exact text of the proposed resolution or resolutions. No ballot shall be valid unless it is signed by the Director casting it. Marked and signed ballots shall be returned to the clerk of the Association who shall ascertain the outcome of the vote and record it as all other Directors' votes. The clerk shall notify all Directors of such outcome. Request for a Director's vote by ballot, each of which must be accompanied by the ballot or ballots to be used therefor may only be circulated by Director, the condominium manager, if there be one, or the clerk of the Association acting at the request of at least 33 1/3% of the overall ownership interest.

E. Vacancies. Vacancies on the Board occurring between annual meetings shall be filled by an appointment made by the remaining Directors or if unable to agree upon an interim appointment, by a vote of the members of the Association at a special meeting. Any one or more of the Directors may be removed either with or without cause at any time by a majority of the entire vote of the members at any special meeting.

F. Quorum. At any meeting of the Board a majority of the Board shall constitute a quorum, but in the event a quorum is not present, a lesser number may adjourn the meeting to some future time not more than ten days later giving the absent Directors at least two days notice.

G. Liability of Directors. The members of the Board shall not be liable to the owners for any mistake of judgment, negligence or otherwise except for their own individual willful misconduct or bad faith. The office owners shall indemnify and hold harmless each of the members of the Board against all contractual liability to others arising out of contracts made by the Board or behalf of the Association. It is intended that the members of the Board of Directors shall have no personal liability except as aforesaid with respect to any contract made by them on behalf of the Association.

6. Officers.

A. The Association shall have a President, who shall be elected by the Board of Directors and hold his office at its pleasure. Only persons who are owners and members of the Board of Directors at the time of their election may become President. The President shall be Chairman of the Board of Directors and as such shall preside over all general and special meetings of the Board of Directors and of the Association. In addition, the President shall perform such other functions as the Board of Directors may, from time to time, assign to him.

B. The Association shall have a clerk, who shall be elected by the Board of Directors and hold office at its pleasure. The clerk shall keep the minutes of all general and special meetings of the Directors and owners, ascertain, certify, record and publicize the outcome of all votes taken by the Directors by mail, maintain and keep current a register of all owners giving their addresses, telephone numbers, and other information concerning where and how they can be reached, and a register of all persons holding mortgages or other liens upon any part of the condominium project. However, if a management contract is entered into, the terms thereof may provide that the clerk's functions shall be performed by the Manager, in which event the Board of Directors shall not be required to elect a clerk.

C. The Association shall have a Treasurer, who shall be elected by the Board of Directors and hold office at their pleasure. The Treasurer shall keep the financial records and books of account and shall make an annual report to the owners containing at least:

i) The Association's balance sheet as of the end of the fiscal year covered by the report, and

ii) The Association's income statement for the same period.

The Treasurer shall also be responsible for the keeping of the

assessment roll required in the fiscal management of the Association. However, if a management contract is entered into, the terms thereof may provide that the Treasurer's functions shall be performed by the Manager, in which event the Board of Directors shall not be required to elect a Treasurer.

D. The Board of Directors may hire and retain such additional employees and independent contractors as the business of the Association may require. The compensation of all officers and employees shall be fixed by the Board of Directors.

7. Fiscal Management

A. The Treasurer or Manager, if any, shall maintain an assessment roll which shall include a separate account for each unit in the project. Such account shall designate the name and address of the owner or owners, the account of each assessment against such owners and the unit, the due dates of all assessments, the amounts paid by the owner, and all unpaid assessments. It shall be the responsibility of the Directors to see to it that as soon as practicable an orderly budgeting procedure is established. Once this is done, all assessments against owners shall be based upon a budget. Overdue assessments shall bear interest at the maximum rate permitted by law. If the collection of any assessment requires legal proceedings, the cost thereof, including reasonable attorney's fee, shall be added thereto and collectible in the same fashion as the said assessment.

B. As soon as practicable, the Board of Directors shall, by resolution, fix a suitable fiscal year, which shall be the Association's budgeting and accounting period.

C. The assessments against owners shall be prepared, levied, and collected by the Board of Directors or at its direction at such times and in such manner as to assure that sufficient funds will be available for budgeted expenditures and operations when needed.

D. Any lien securing an Association assessment may be foreclosed by suit by the Manager or Board of Directors, acting on behalf of the owners, in like manner as a mortgage on real property. In any foreclosure, the owners shall be required to pay a reasonable rental for the unit, and the plaintiff shall be entitled to the appointment of a receiver to collect it. The Manager or Board of Directors, acting on behalf of the owners, may bid on the unit at foreclosure sale, and acquire and hold, lease, mortgage, and convey the same. Suit to recover a money judgment for unpaid common expenses shall be maintainable without foreclosing or waiving the lien securing the same.

E. If a management contract is entered into, the Board of Directors may, by its terms, delegate the functions of preparing the Association's budget and collecting the assessments based thereon to the Manager. The Manager shall submit any budget

prepared by it to the Directors at least thirty days before the date on which it is scheduled to go into effect. Unless revised or modified by Board Action within said period, it shall be deemed adopted by the Board of Directors and go into effect as and when scheduled.

F. Fidelity bonds may be required by the Board of Directors from all officers and employees of the Association and from any contractor handling or responsible for Association funds. The amount of such bonds shall be determined by the Directors, but shall be at least equal to the amount of the total annual assessments against members for common assessments. The premiums on such bonds shall be common expenses.

8. Common Charges.

A. All office unit owners shall be obligated to pay the common charges assessed by the Board on a regular basis established pursuant to the authority granted to the Board under the By-Laws.

B. The Board shall assess common expenses against the unit owners from time to time, at least annually, and shall take prompt action to collect any common charges due from any office unit owner which remain unpaid for more than thirty days from the due date.

C. In the event of default of any unit owner in the payment to the Board of the common charges or expenses such unit owner shall be obligated to pay interest at the legal rate on such common charges as may be set from time to time by the Board of Directors, together with all expenses, including reasonable attorney's fees incurred in collecting said unpaid common charges.

D. While the Board has the right to foreclose a lien on an office unit because of unpaid charges or expenses it may bring a suit to recover unpaid common charges, expenses, etc. without foreclosing or waiving the lien rights on the same. Reasonable attorney's fees incurred by the Board in such a suit shall be recovered by the Board.

E. The Board shall provide any unit owner requesting the same in writing with a written statement of all unpaid common charges, assessments and fees due from such unit owner.

9. Insurance.

The Board of Directors as a common expense shall be required to obtain and maintain to the extent obtainable and to the extent determined by the Board of Directors to be appropriate or as otherwise mandated by the Declaration or the Act, the following insurance:

A. Fire insurance with extended coverage, vandalism and malicious mischief endorsements insuring the building including all of the office units and all common areas, but not including furniture or other personal property supplied or installed by unit owners and covering the interest of the Association, the

Board and all office unit owners and their mortgagees as interest may appear, in an amount equal to the full replacement value of the building, without deduction for depreciation, with each of said policies to contain a standard mortgagee clause in favor of each mortgagee of an office unit which shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its interest may appear and that otherwise lost payments shall be made to the Board of Directors as Trustee for all owners.

B. A comprehensive general liability policy covering the land, buildings, common areas and facilities and office units with minimum limits of not less than \$300,000 for injury to one person and \$500,000 for injury to more than one person in any one accident and \$50,000 for property damage and from time to time upon receipt thereof deposit promptly with the owners current certificates of such insurance. In spite of this requirement any owner shall be free to maintain additional liability insurance with respect to any individual office units.

10. Operational Powers and Duties of the Association.

A. The Association shall have an affirmative duty to keep all common areas and facilities (limited as well as general) in a good, clean, attractive, sanitary and safe condition, order and repair. It must make suitable provision for garbage and trash removal and shall also be responsible for maintaining all vegetation, park, parking or garden areas included in the common areas and facilities in a clean, attractive and aesthetically pleasing condition.

B. The Association shall have power to lease and purchase such personal property as the Board may consider necessary or useful for the performance of its functions and for the benefit and enjoyment of the owners. The cost of any such property shall be a common expense. The control and management of such property shall be in the Association, but the beneficial interest in it shall belong to the owners in proportion to their respective ownership interest. During the life of such personal property each owner's fractional beneficial interest therein shall be appurtenant to and pass with his unit.

11. Conflicts.

These By-Laws are intended to comply with the Act and the Declaration. In the case of any conflict between the By-Laws and the provisions of said Act or Declaration, the provisions of said Act or the Declaration as the case may be shall control. Invalidity of any section of these By-Laws shall only render that section invalid with all other sections to remain in force and effect.

12. Amendment.

These By-Laws may be altered, amended or repealed by 60% of the members, voting in accordance with the foregoing voting permission, at annual meetings or any special meeting duly called for such purposes.

13. Parliamentary Authority.

Robert's Rules of Order, current revision, shall be the parliamentary authority for meetings of this Association.

14. Miscellaneous.

A. Waiver. No provision contained herein shall be deemed to have been waived by reason of any failure to enforce the same.

B. Captions. The captions inserted herein are inserted only as a matter of convenience and for reference and do not define, limit or describe the scope of these By-Laws or the intent of any provision thereof.

The above Bylaws are adopted this 8th day of October 1982.

SUNSET FARM CONDOMINIUM ASSOCIATION

By: Ronald M. Jaynes
Ronald M. Jaynes, General Partner
Spooner Barn/Associates.